

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: NEW ENGLAND GAS COMPANY
DISTRIBUTION ADJUSTMENT CLAUSE

DOCKET NO. 3459

NOTICE OF PUBLIC HEARING

Pursuant to the provisions of Sections 39-1-1, 39-1-11 and 39-3-11 of the General Laws, as amended, the Public Utilities Commission ("Commission") will conduct a hearing on **Tuesday, October 22, 2002 at 10:00 AM** in the first-floor hearing room of the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, Rhode Island. The hearing may continue thereafter from day to day and time to time as required.

In this docket, the Commission undertakes an annual review of the various components of the Distribution Adjustment Clause ("DAC") filing that was submitted by the New England Gas Company ("Company") on August 1, 2002. The DAC is a cost recovery and reconciliation clause that requires an annual updating of identifiable special programs. The components of the DAC includes an annual System Pressure factor, a Demand Side Management ("DSM") factor, a Low Income Assistance factor, an Environmental Response Cost ("ERC") factor, an On-System Credit factor, and a Weather Normalization Adjustment ("WNA") factor.

In the instant DAC filing, the Company proposes to update two of the DAC factors as follows: 1) the System Pressure is updated to reflect the November 2002 through October 2003 time period consistent with costs reflected in the Company's Gas Cost Recovery filing in Docket No. 3436 and 2) The ERC factor is updated to

incorporate fiscal year 2002 expenditures and revenues. The proposed DAC factor would be in effect from November 1, 2002 through October 31, 2003 applicable to all customers. If approved, the overall rate impact on a typical residential heating customer bill, in the former Valley Gas service area, using 1,035 therms per year will represent a decrease of 58¢. On a typical residential heating customer in the former Providence Gas service area, it will represent a bill increase of \$16.77 a year. The Commission can approve different rates that may be higher or lower than those proposed by New England Gas Company.

The filing is on file for examination at the Commission's office and at the office of the New England Gas Company, 100 Weybosset Street, Providence, Rhode Island.

Reference is made to Chapters 39-1, 39-3 and 42-35 of the Rhode Island General Laws; specifically Sections 39-1-7, 39-1-8, 39-1-11, 39-1-12, 39-1-16, 39-1-18, 39-1-20, 42-35-8 and 42-35-10.

THE PUBLIC UTILITIES COMMISSION IS ACCESSIBLE TO THE HANDICAPPED. INDIVIDUALS REQUESTING INTERPRETER SERVICES FOR THE HEARING AND SPEECH IMPAIRED MUST NOTIFY THE COMMISSION CLERK'S OFFICE AT 941-4500, SEVENTY-TWO HOURS IN ADVANCE OF HEARING DATE.

Luly E. Massaro
Commission Clerk
October 13, 2002